



# Memorandum

**TO: Federated City Employees' Retirement System  
Board of Administration**

**FROM: John Flynn**

**SUBJECT: Administrative Budget vs Actual Expenses for  
Fiscal Year-To-Date Quarter Ended  
September 30, 2024 (Accrual Basis)**

**DATE: October 17, 2024**

Attached is an itemized list of the Administrative and Professional Budget vs. Actual Expenses for the Federated City Employees' Retirement System for the fiscal year 2024-2025 quarter ending September 30, 2024. The Budget vs. Actual expenses represent all administrative and professional fees processed by the System, excluding benefit payments and investment related fees.

This budget vs. actual expense report ending September 30, 2024 has some notable variances: personnel expenses are lower than the quarterly budget due to staff vacancies. Non-personnel and professional services expenses are also lower than the quarterly budget due to the lag in receipt of invoices for fiduciary insurance, legal and actuarial services. Overall expenses are within the approved annual budget for each category, even though there are overages in some line items. The approved budget is based on categories and not line items.

## Certification

All Budgetary, Actual and Accrued expenditures for the fiscal year quarter ending September 30, 2024 were either approved by the Board or directly authorized by prior Board actions or policies.

## Recommendation

Staff recommends acceptance of the Federated City Employees' Retirement System Administrative and Professional Budget vs. Actual & Accrued Expenses report for the fiscal year 2024-2025 quarter ending September 30, 2024.

John Flynn  
Chief Executive Officer  
Office of Retirement Services

**FEDERATED RETIREMENT SYSTEM  
BUDGET TO ACTUALS (ACCRUAL BASIS)  
AS OF SEPTEMBER (Q1) FY 24-25**

<i>MAJOR BUDGET CATEGORY</i>											
<i>Minor Budget Category</i>	<i>Q1 ACTUALS &amp; ACCRUAL 2024/2025</i>	<i>YTD ACTUALS &amp; ACCRUAL 2024/2025</i>	<i>MODIFIED BUDGET BASED ON QUARTERLY PORTION 2024/2025</i>	<i>QUARTERLY (OVER) UNDER BUDGET</i>	<i>QUARTERLY PERCENT-AGE USED</i>	<i>ANNUAL MODIFIED BUDGET 2024/2025</i>	<i>ANNUAL (OVER) UNDER BUDGET</i>	<i>ANNUAL PERCENT-AGE USED</i>	<i>ANNUAL MODIFIED BUDGET TO BNYM MV OF PLAN ASSETS IN BPS</i>	<i>YTD ACTUALS TO BNYM MV OF PLAN ASSETS IN BPS</i>	
	(B)	(A)	(B1)	(B1) - (B)	(B) / (B1)	(A1)	(A1) - (A)	(A) / (A1)	as of 09/30/24 MV	\$ 3,644,154,033	
<b>PERSONNEL EXPENSES</b>											
Permanent Staff Expense <sup>1</sup>	938,766	938,766	\$ 1,114,000	\$ 175,234	84%	\$ 4,456,000	\$ 3,517,234	21%			
<b>TOTAL PERSONNEL EXPENSES</b>	<b>938,766</b>	<b>938,766</b>	<b>1,114,000</b>	<b>175,234</b>	<b>84%</b>	<b>5,111,000</b>	<b>\$ 4,172,234</b>	<b>18%</b>	<b>14.03</b>	<b>2.58</b>	
<b>NON-PERSONNEL / EQUIPMENT</b>											
Rent	58,673	58,673	\$ 62,250	\$ 3,577	94%	249,000	\$ 190,327	24%			
Insurance <sup>2</sup>	3,911	3,911	\$ 57,000	\$ 53,089	7%	228,000	\$ 224,089	2%			
IT Hardware/Software	57,239	57,239	\$ 32,500	\$ (24,739)	176%	130,000	\$ 72,761	44%			
Postage and printing	13,394	13,394	\$ 25,000	\$ 11,606	54%	100,000	\$ 86,606	13%			
LRS - Annual Maintenance Fee <sup>3</sup>	57,321	57,321	\$ 14,500	\$ (42,821)	395%	58,000	\$ 680	99%			
Training and travel	9,432	9,432	\$ 7,500	\$ (1,932)	126%	30,000	\$ 20,568	31%			
Other non-personnel and equipment	5,986	5,986	\$ 24,750	\$ 18,764	24%	99,000	\$ 93,014	6%			
<b>TOTAL NON-PERSONNEL / EQUIPMENT</b>	<b>205,955</b>	<b>205,955</b>	<b>223,500</b>	<b>17,545</b>	<b>92%</b>	<b>894,000</b>	<b>\$ 688,045</b>	<b>23%</b>	<b>2.45</b>	<b>0.57</b>	
<b>PROFESSIONAL SERVICES</b>											
Legal <sup>4</sup>	17,622	17,622	\$ 122,500	\$ 104,878	14%	490,000	\$ 472,378	4%			
Actuary / actuarial audit <sup>5</sup>	-	-	\$ 66,750	\$ 66,750	0%	267,000	\$ 267,000	0%			
External auditor	45,919	45,919	\$ 23,000	\$ (22,919)	200%	92,000	\$ 46,081	50%			
Temporary staffing agencies	30,487	30,487	\$ 36,125	\$ 5,638	84%	144,500	\$ 114,013	21%			
Pension administration system	8,865	8,865	\$ 8,500	\$ (365)	104%	34,000	\$ 25,135	26%			
Other professional services	43,634	43,634	\$ 21,125	\$ (22,509)	207%	84,500	\$ 40,866	52%			
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>146,527</b>	<b>146,527</b>	<b>278,000</b>	<b>131,473</b>	<b>53%</b>	<b>1,112,000</b>	<b>\$ 965,473</b>	<b>13%</b>	<b>3.05</b>	<b>0.40</b>	
<b>MEDICAL PROVIDERS / SERVICES</b>											
Medical Director & Support <sup>6</sup>	4,825	4,825	\$ 36,250	\$ 31,425	13%	145,000	\$ 140,175	3%			
<b>TOTAL MEDICAL DIRECTOR &amp; SUPPORT</b>	<b>4,825</b>	<b>4,825</b>	<b>36,250</b>	<b>31,425</b>	<b>13%</b>	<b>145,000</b>	<b>\$ 140,175</b>	<b>3%</b>	<b>0.40</b>	<b>0.01</b>	
<b>GRAND TOTAL</b>	<b>1,296,073</b>	<b>1,296,073</b>	<b>\$ 1,651,750</b>	<b>355,677</b>	<b>78%</b>	<b>\$ 7,262,000</b>	<b>\$ 5,965,927</b>	<b>18%</b>	<b>19.93</b>	<b>3.56</b>	

*Explanations are provided if the Quarterly variance is at least \$25,000 over/under budget and if the Annual variance is over compared to the annual budget.*

<sup>1</sup> Permanent Staff Expense - Due to staff vacancies.

<sup>2</sup> Insurance - This fiduciary insurance is annual. The invoice has not been received yet.

<sup>3</sup> LRS - Annual Maintenance Fee - Annual amount is within budget.

<sup>4</sup> Legal - Lag in receipt of invoices.

<sup>5</sup> Actuary / actuarial audit - Lag in receipt of invoices.

<sup>6</sup> Medical Director & Support - Services provided as needed.

**FEDERATED CITY EMPLOYEE PLAN ASSET BUDGET SUMMARY  
THROUGH Q1 FY24-25**

DESCRIPTION	IMPLEMENTATION BUDGET (ENTIRE 5 YEARS) *	EXPENDED FY14-15	EXPENDED FY15-16	EXPENDED FY16-17	EXPENDED FY17-18	EXPENDED FY18-19	EXPENDED FY19-20	EXPENDED FY20-21	EXPENDED FY21-22	EXPENDED FY22-23	EXPENDED FY23-24	EXPENDED FY24-25 (TO DATE)	EXPENDED PROJECT TO-DATE	% REMAINING IN BUDGET
<b>LRS</b>														
IMPLEMENTATION SERVICES	\$ 2,482,640	\$ -	\$ 542,259	\$ 429,073	\$ 4,735	\$ 1,195,713	\$ 663,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,835,661	-14%
PENSION ADMINISTRATION SYSTEM LICENSE FEE	180,000	-	132,927	-	-	-	-	-	-	-	-	-	132,927	26%
SOFTWARE (COMMODITY) AND INSTALLATION	9,896	-	-	-	-	-	-	-	-	-	-	-	-	100%
REPLACEMENT OF SYSTEM (INCLUDES POST IMPLEMENTATION COSTS)	313,430	-	16,212	-	-	-	90,400	37,500	37,500	37,500	75,000	-	294,112	6%
<b>LRWL</b>														
COUNSELING & ADVISE ON PROJECT ISSUES	539,750	58,932	186,253	148,080	236,473	260,755	121,576	-	-	-	-	-	1,012,069	-88%
<b>TOTAL</b>	<b>\$ 3,525,716</b>	<b>\$ 58,932</b>	<b>\$ 877,650</b>	<b>\$ 577,153</b>	<b>\$ 241,207</b>	<b>\$ 1,456,468</b>	<b>\$ 875,857</b>	<b>\$ 37,500</b>	<b>\$ 37,500</b>	<b>\$ 37,500</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ 4,274,768</b>	<b>-21%</b>
<b>ACCUMULATED ARMOTIZATION</b>						<b>\$ (133,809)</b>	<b>\$ (408,727)</b>	<b>\$ (412,979)</b>	<b>\$ (422,869)</b>	<b>\$ (428,565)</b>	<b>\$ (439,957)</b>		<b>\$ (2,246,905)</b>	
<b>GRAND TOTAL</b>						<b>\$ 1,322,660</b>	<b>\$ 467,130</b>	<b>\$ (375,479)</b>	<b>\$ (385,369)</b>	<b>\$ (391,065)</b>	<b>\$ (364,957)</b>	<b>\$ -</b>	<b>\$ 2,027,863</b>	

\*Please note some budgeted items cannot be capitalized due to the types of services being provided. These items include Software Support Services, Pension Administration System Maintenance Fee, and Disaster Recovery Plan for a total budgeted amount of \$1,115,903 (or \$557,952 per Plan).